



State of Arizona
Department of Education

Jaime A. Molera
Superintendent of
Public Instruction

September 1, 2001
CN 9-02

MEMORANDUM

To: Administrators, National School Lunch Program

From: Lynne Dulin, Director
Student Services

Subject: **New and Updated Information Related to Free and Reduced Priced Applications**

Zero income applications

USDA is now looking closer at the accuracy of eligibility determinations for free or reduced price meal benefits in the National School Lunch Program. The eligibility information is used for other purposes and therefore it is important that the approval process is completed accurately.

If a household reports a zero income application, the approving official must grant temporary approval. **The maximum time limit for temporary approval is 45 calendar days.** This is a policy change from the 60 calendar days, which is currently stated on page 45 in the Free and Reduced Price Policy Handbook.

At the end of the approval period, the school must contact the household to see if circumstances have changed. Such follow-ups should not grant extra "temporary" approvals to the household unless the household or collateral contacts provide reasonable explanations and documentation that account for a household's ability to manage without any source of income. An applicant's statement that the household's circumstances have not changed since the original application is not sufficient to grant continuing eligibility.

The USDA does not consider the subsequent re-applications following temporary approval to be new applications. The sponsor can thus require the household to provide income documentation at the time of reapplication, if necessary. For example, if a household then declares what the school official considers unreasonably low income (e.g., \$1.00) just to declare some income, the school official should use his or her own discretion to question the information.

Using U.S. Armed Forces Family Subsistence Supplemental Allowances (FSSA) to Determine Eligibility in the Child Nutrition Programs

To help certain low-income service members from relying on food stamps, the Floyd D. Spence National Defense Authorization Act requires the Armed Forces to pay eligible service members a Family Subsistence Supplemental Allowance (FSSA). This pay will not exceed \$500 per month, and will be given to service members starting June 1, 2001.

FSSA payments are to be included as income for eligibility to the Child Nutrition Programs (CNP). Therefore, families receiving this payment must report it as earned income for the household. Some families receiving these FSSA benefits will still be eligible for free and reduced meals. Some families will receive food stamps along with FSSA benefits and are therefore automatically eligible for free meals in the CNP.

For purposes of verification, the Leave and Earnings Statement for the Marines will identify the payments as "FSSA." For the Army, Navy, and Air Force it will temporarily be identified as "Saved Pay" and will later change to "FSSA."

Electronically Scanned and Stored Free and Reduced Priced Applications

A sponsor of the National School Lunch Program (NSLP) may use electronically scanned and stored free and reduced priced applications so long as the following criteria are met:

1. The sponsor is assured that the scanner system is accurately and reliably capturing the free and reduced priced application information.
2. If software is used to determine eligibility from the scanned applications, the sponsor must ensure that manual edits are in place to ensure accurate free and reduced priced determinations.
3. Access or security procedures are maintained to ensure confidentiality of the information.
4. The paper copies of applications are maintained in any current year. Electronically scanned copies must be maintained for a minimum of five years after the submission of the final claim for reimbursement for the fiscal year.
5. Procedures are developed to make an accurate count of the free and reduced priced applications prior to the scanning of each batch. This count must be compared to applications successfully scanned to ensure that all applications are entered into the system.
6. The Department of Education may require that the paper copies be retrieved by the school if the electronically scanned versions of the applications are not operationally accessible in a timely manner or for any other reason.
7. Paper copies of the application must be retained for any schools on Provisions 1,2,3 for three years beyond the establishment of a new base year, or longer as needed for audit resolution.
8. Adequate backup is maintained for the electronic files.
9. There is no violation of State Law.

If you have questions regarding any of these policies, please call your Child Nutrition Specialist at (602) 542-8700.